

HOUSE BILL 3137
By Stamps

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 17, relative to requiring assessors to provide additional information to local taxing authorities.

WHEREAS, Tennessee Code Annotated Section 67-5-1701 requires, that after a general reappraisal, the county assessor certify to taxing authorities a tax rate which will provide the same ad valorem revenue for that jurisdiction as during the previous year; and

WHEREAS, reappraisals are usually done on a three year cycle with no adjustments for inflation or increasing property values between reappraisals; and

WHEREAS, providing the same revenue as the previous year will deprive the taxing authority of any adjustment for inflation or increasing property values which have occurred since the last reappraisal; and

WHEREAS, growth in ad valorem tax revenue from new construction is offset by the obligation to provide services to new citizens and thus should not be utilized to offset inflation; and

WHEREAS, lack of adjustment for inflation will ultimately result in insufficient tax revenue to provide governmental services; additional information and certified rates should be provided to the taxing authorities to aid them in establishing a tax rate; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-1701(a)(4), is amended by removing the period at the end of the sentence and adding the following language:

“since the last reappraisal.”

SECTION 2. Tennessee Code Annotated, Section 67-5-1707(b)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following new subdivision:

(b)(1) The state board is authorized to establish policies providing procedures or formulas for calculating certified rates which would raise the following:

(A) the same ad valorem revenue for that jurisdiction as was levied during the previous year;

(B) the same ad valorem revenue for that jurisdiction as was levied following the last reappraisal after adjustment for inflation; and

(C) the rate which would maintain the same ratio between the tax rate and actual property values as existed after the last reappraisal.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 5, Part 17 is amended by deleting the language “ the certified rate” wherever it may occur and instead substituting the language “a certified rate”.

Tennessee Code Annotated, Title 67, chapter 5, part 17 is further amended by deleting the language “rate” wherever it may occur and instead substituting the language “rates”.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.